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FISCAL IMPACT STATEMENT

LS 6971

BILL NUMBER: SB 334

NOTE PREPARED: Jan 4, 2006

BILL AMENDED:

SUBJECT: Restrictions on Public Assistance.

FIRST AUTHOR: Sen. Waterman

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires an individual who is at least 19 years of age and applying for certain public assistance to provide identification, or if the individual is unable to provide identification, an affidavit under oath, that verifies the individual is a citizen of the United States or legally present in the United States before the individual may receive public assistance. The bill allows an individual to appeal a denial of public assistance. It provides that a provision that violates federal law is void.

Effective Date: July 1, 2006.

Explanation of State Expenditures: This bill requires a person who is 19 years of age and who applies for public assistance (i.e., benefits, assistance, or coverage) from the Family and Social Services Administration (FSSA), Department of Child Services (DCS), State Department of Health (SDH), or a township trustee providing township assistance, to provide identification. Identification includes a driver's license, passport, Social Security number, or another form of identification approved for verification by the FSSA, DCS, SDH, or township trustee showing that the person is a citizen of the United States or legally present in the United States. A person who is unable to provide proof of identification may provide an affidavit under oath attesting that they are a citizen of the United States or legally present in the United States in order to receive public assistance (See *Penalty Provision*). As provided by the bill, the person would not be eligible for public assistance if they do not provide identification or an affidavit.

This provision of the bill could potentially reduce the number of persons in the state who are eligible for public assistance. This could result in savings for the state or allow the state to redirect the funds to other persons needing services within a program for which services were not provided under the bill.

The number of persons who are not United States citizens or legally present in the United States that are currently receiving some sort of public assistance is unknown. In addition, actual types of services which would fall under the definition of public assistance are not specifically defined in the bill. Actual savings for the state would be dependent on the number of persons no longer eligible for services and the type and cost of services that they would otherwise receive. *Note:* Some of these programs may be reimbursable by the federal government. Should the state not reallocate the funds to other persons within a program for services, the state could potentially reduce its overall federal funding.

Background Information: The SDH and DCS report that they currently do not have any services which are restricted to only United States citizens and persons legally present in the United States. The types of services provided by township trustees which might be restricted to certain persons may vary by county and are unknown.

The FSSA reports that services under Medicaid, Food Stamps, and Temporary Assistance for Needy Families (TANF) are restricted to persons legally present in the United States. This restriction has one exception. Under Medicaid, persons illegally present in the United States are eligible for emergency services.

Penalty Provision: A person who knowingly provides false information on a public document if they knowingly obtain public relief or assistance by means of impersonation, fictitious transfer, false or misleading oral or written statement, fraudulent conveyance, or other fraudulent means commits a Class A misdemeanor. It is a Class D felony if the amount of public relief or assistance involved is more than \$250 but less than \$2,500 or the amount is more than \$250 and the person has a prior conviction of welfare fraud. It is a Class C felony if the amount of public relief or assistance involved is \$2,500 or more.

A Class C felony is punishable by a prison term ranging from two to eight years depending upon mitigating and aggravating circumstances. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately 10 months, and it is approximately 2 years for a Class C felony.

The table below presents information pertaining to the number of persons convicted of welfare fraud between FY 2000 and FY 2005:

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---------|------|------|------|------|------|------|
| Class C | 10 | 9 | 9 | 13 | 11 | 12 |
| Class D | 5 | 5 | 4 | 8 | 3 | 3 |

Appeals: A person who is denied assistance may appeal to the entity that has denied the public assistance. The FSSA, DCS, SDH, and township trustee would likely experience an increase in workload as a result. The number of persons appealing would likely be small. Under the bill, persons may provide an affidavit if they do not have proper identification. Thus, actual increases in workload are likely minimal.

Adoption of Rules: The bill allows the FSSA, DCS, SDH, or township trustee to adopt rules to implement the provisions of the bill. All entities should be able to facilitate adoption of rules within their existing level of resources.

Explanation of State Revenues: *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C or D felony is \$10,000, and it is \$5,000 for a Class A misdemeanor. Any additional revenues would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small. A Class A misdemeanor is punishable by up to one year in jail.

See Explanation of State Expenditures.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: Family and Social Services Administration; Department of Child Services; State Department of Health; Department of Correction.

Local Agencies Affected: Township trustees; Trial courts; Local law enforcement agencies.

Information Sources: Michelle Milliken, Department of Health; John Ryan, Department of Child Services; John Wood, Department of Child Services; Amy Davis, Family and Social Services Administration.

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